

AMENDED IN SENATE JUNE 16, 2014

AMENDED IN ASSEMBLY JANUARY 6, 2014

AMENDED IN ASSEMBLY MAY 1, 2013

AMENDED IN ASSEMBLY APRIL 8, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 468**

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**Introduced by Assembly Member ~~Chesbro~~ *Chávez***  
**(Principal coauthors: Assembly Members ~~Alejo, Levine, and Stone~~**  
***Chesbro and Dahle*)**  
**(Coauthor: Assembly Member Atkins)**

February 19, 2013

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An act to amend Sections 4593.2, 4593.3, 4593.8, 4593.9, 4593.11, 4594, and 4594.7 of the Public Resources Code, relating to forest resources; add Sections 14166.152, 14166.153, and 14166.155 to, the Welfare and Institutions Code, relating to Medi-Cal, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 468, as amended, ~~Chesbro~~ *Chávez*. ~~Nonindustrial timber management plans: forest landowners. Medi-Cal: delivery system reform incentive pool payments.~~

*Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid Program provisions. Existing law requires the department to seek a successor demonstration project or federal waiver of Medicaid*

*law to implement specified objectives, which may include better care coordination for seniors, persons with disabilities, and children with special health care needs. Existing law provides that beginning with services provided on or after July 1, 2013, to the extent that additional federal funding is made available pursuant to the Special Terms and Conditions of the demonstration project or waiver, nondesignated public hospitals shall be eligible to receive safety net care pool payments for uncompensated care costs.*

*This bill would, beginning with the 2014–15 fiscal year, subject to federal approval and if specified conditions are met, require that nondesignated public hospitals receive delivery system reform incentive pool funding, as specified. The bill would also require nondesignated public hospitals to report and certify specified information for each successor demonstration year.*

*This bill would declare that it is to take effect immediately as an urgency statute.*

~~Existing law prohibits a person from conducting timber operations unless a timber harvesting plan prepared by a registered professional forester has been submitted to the Department of Forestry and Fire Protection. The Forest Practice Act of 1973 provides that the Director of Forestry and Fire Protection has the final authority to determine whether a timber harvesting plan conforms with rules and regulations pertaining to timber harvesting. Existing law authorizes a person who intends to become a nonindustrial tree farmer to file a nonindustrial timber management plan with the department, and prescribes procedures for the preparation, filing, and approval of those plans. Existing law, for purposes of provisions governing nonindustrial timber management plans, defines a “nonindustrial tree farmer” to mean an owner of timberland with less than 2,500 acres who has an approved nonindustrial management plan and is not primarily engaged in the manufacture of forest products.~~

~~This bill would replace references in the Forest Practice Act of 1973 to a “nonindustrial tree farmer” with the term “nonindustrial forest owner.”~~

~~Vote: majority  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: yes. State-mandated local program: no.~~

*The people of the State of California do enact as follows:*

1     *SECTION 1. Section 14166.152 is added to the Welfare and*  
2 *Institutions Code, to read:*

3     *14166.152. (a) For dates of service on and after July 1, 2014,*  
4 *nondesignated public hospitals shall be eligible to receive delivery*  
5 *system reform incentive pool payments to the extent additional*  
6 *federal funding is made available for this purpose under the*  
7 *delivery system reform incentive pool in the successor*  
8 *demonstration project and if the nondesignated public hospitals*  
9 *comply with the delivery system reform incentive pool funding*  
10 *requirements set forth in Section 14166.155.*

11     *(b) The amount of funds that may be received shall not exceed*  
12 *the additional federal funding made available for delivery system*  
13 *reform incentive pool payments to nondesignated public hospitals,*  
14 *and shall not reduce the amounts that would otherwise be made*  
15 *available to designated public hospitals in the absence of this*  
16 *section, including the amounts that designated public hospitals*  
17 *would be eligible to receive under their delivery system reform*  
18 *incentive pool plans approved as of January 1, 2012.*

19     *(c) Notwithstanding subparagraph (B), if the designated public*  
20 *hospitals are unable to claim the full amount of federal funding*  
21 *made available to the designated public hospitals pursuant to*  
22 *Section 14166.77 and the Special Terms and Conditions, including*  
23 *through reallocations made pursuant to paragraph (3) of*  
24 *subdivision (a) of Section 14166.77 as authorized by the Special*  
25 *Terms and Conditions, and the unused amount of federal funding*  
26 *made available to the designated public hospitals cannot be used*  
27 *in a later demonstration year, the department may authorize the*  
28 *unused funding to be made available to the nondesignated public*  
29 *hospitals.*

30     *SEC. 2. Section 14166.153 is added to the Welfare and*  
31 *Institutions Code, to read:*

32     *14166.153. (a) Beginning in the 2012-13 fiscal year, within*  
33 *five months after the end of a successor demonstration year, each*  
34 *of the nondesignated public hospitals shall submit to the*  
35 *department all of the following reports:*

36     *(1) The hospital's Medicare cost report for the project year or*  
37 *successor demonstration year.*

1 (2) *Other cost reporting and statistical data necessary for the*  
2 *determination of amounts due the hospital under the demonstration*  
3 *project or successor demonstration project, as requested by the*  
4 *department.*

5 (b) *For each project year or successor demonstration year, the*  
6 *reports shall identify all of the following:*

7 (1) *To the extent applicable, the costs incurred in providing*  
8 *inpatient hospital services to Medi-Cal beneficiaries on a*  
9 *fee-for-service basis and physician and nonphysician practitioner*  
10 *services costs.*

11 (2) *The costs incurred in providing hospital services to*  
12 *uninsured individuals.*

13 (c) *Each nondesignated public hospital, or governmental entity*  
14 *with which it is affiliated, that operates nonhospital clinics or*  
15 *provides physician, nonphysician practitioner, or other health*  
16 *care services that are not identified as hospital services under the*  
17 *Special Terms and Conditions for the demonstration project and*  
18 *successor demonstration project, shall report and certify all of the*  
19 *uncompensated Medi-Cal and uninsured costs of the services*  
20 *furnished. The amount of these uncompensated costs to be claimed*  
21 *by the department shall be determined by the department in*  
22 *consultation with the governmental entity so as to optimize the*  
23 *level of claimable federal Medicaid reimbursement.*

24 (d) *Reports submitted under this section shall include all*  
25 *allowable costs.*

26 (e) *The appropriate public official shall certify to all of the*  
27 *following:*

28 (1) *The accuracy of the reports required under this section.*

29 (2) *That the expenditures to meet the reported costs comply with*  
30 *Section 433.51 of Title 42 of the Code of Federal Regulations.*

31 (3) *That the sources of funds used to make the expenditures*  
32 *certified under this section do not include impermissible provider*  
33 *taxes or donations as defined under Section 1396b(w) of Title 42*  
34 *of the United States Code or other federal funds. For this purpose,*  
35 *federal funds do not include delivery system reform incentive pool*  
36 *payments or patient care revenue received as payment for services*  
37 *rendered under programs such as nondesignated state health*  
38 *programs, the Low Income Health Program, Medicare, or*  
39 *Medicaid.*

1 (f) *The certification of public expenditures made pursuant to*  
2 *this section shall be based on a schedule established by the*  
3 *department in accordance with federal requirements.*

4 (1) *The director may require the nondesignated public hospitals*  
5 *to submit quarterly estimates of anticipated expenditures, if these*  
6 *estimates are necessary to obtain interim payments of federal*  
7 *Medicaid funds.*

8 (2) *All reported expenditures shall be subject to reconciliation*  
9 *to allowable costs, as determined in accordance with applicable*  
10 *implementing documents for the demonstration project and*  
11 *successor demonstration project.*

12 (g) *The director shall seek Medicaid federal financial*  
13 *participation for all certified public expenditures reported by the*  
14 *nondesignated public hospitals and recognized under the successor*  
15 *demonstration project.*

16 (h) *The timeframes for data submission and reporting periods*  
17 *may be adjusted as necessary in accordance with federal*  
18 *requirements.*

19 SEC. 3. *Section 14166.155 is added to the Welfare and*  
20 *Institutions Code, to read:*

21 14166.155. (a) (1) *Beginning in the 2014–15 fiscal year, if*  
22 *federal approval is obtained for an amendment to the successor*  
23 *demonstration project, nondesignated public hospitals shall receive*  
24 *payments pursuant to this section. The amount of delivery system*  
25 *reform incentive pool funding, consisting of both the federal and*  
26 *nonfederal share of payments, that is made available to each*  
27 *nondesignated public hospital system in the aggregate for the term*  
28 *of the successor demonstration project shall be based initially on*  
29 *the delivery system reform proposals that are submitted by the*  
30 *nondesignated public hospitals to the department for review and*  
31 *submission to the federal Centers for Medicare and Medicaid*  
32 *Services for final approval. The initial percentages of delivery*  
33 *system reform incentive pool funding among the nondesignated*  
34 *public hospitals for each successor demonstration year shall be*  
35 *determined based on the annual components as contained in the*  
36 *approved proposals.*

37 (2) *The actual receipt of funds shall be conditioned on the*  
38 *nondesignated public hospital's progress toward, and achievement*  
39 *of, the specified milestones and other metrics established in its*  
40 *approved delivery system reform incentive pool proposal. A*

1 *nondesignated public hospital may carry forward available*  
2 *incentive pool funding associated with milestones and metrics from*  
3 *one year to a subsequent period as authorized by the Special Terms*  
4 *and Conditions and the final delivery system reform incentive pool*  
5 *protocol.*

6 *(3) The department may reallocate the incentive pool funding*  
7 *available under this section pursuant to conditions specified, and*  
8 *as authorized by, the Special Terms and Conditions and the final*  
9 *delivery system reform incentive pool protocol.*

10 *(b) Each nondesignated public hospital shall be individually*  
11 *responsible for progress toward, and achievement of, milestones*  
12 *and other metrics in its proposal, as well as other applicable*  
13 *requirements specified in the Special Terms and Conditions and*  
14 *the final delivery system reform incentive pool protocol, in order*  
15 *to receive its specified allocation of incentive pool funding under*  
16 *this section.*

17 *(1) The nondesignated public hospital shall submit semiannual*  
18 *reports and requests for payment to the department by March 31*  
19 *and the September 30 following the end of the second and fourth*  
20 *quarters of the successor demonstration year, or comply with any*  
21 *other process as approved by the federal Centers for Medicare*  
22 *and Medicaid Services.*

23 *(2) Within 14 days after the semiannual report due date, the*  
24 *nondesignated public hospital system or its affiliated governmental*  
25 *entity shall make an intergovernmental transfer of funds equal to*  
26 *the nonfederal share that is necessary to claim the federal funding*  
27 *for the pool payment related to the achievement or progress metric*  
28 *that is certified. The intergovernmental transfers shall be deposited*  
29 *into the Public Hospital Investment, Improvement, and Incentive*  
30 *Fund, established pursuant to Section 14182.4.*

31 *(3) The department shall claim the federal funding and pay both*  
32 *the nonfederal and federal shares of the incentive payment to the*  
33 *nondesignated public hospital system or other affiliated*  
34 *governmental provider, as applicable. If the intergovernmental*  
35 *transfer is made within the appropriate 14-day timeframe, the*  
36 *incentive payment shall be disbursed within seven days with the*  
37 *expedited payment process as approved by the federal Centers for*  
38 *Medicare and Medicaid Services, otherwise the payment shall be*  
39 *disbursed within 20 days of when the transfer is made.*

1 (4) *The nondesignated public hospital system or other affiliated*  
2 *governmental provider is responsible for any fee or cost required*  
3 *to implement the expedited payment process in accordance with*  
4 *Section 8422.1 of the State Administrative Manual.*

5 (c) *The department shall submit for federal approval an*  
6 *amendment to the successor demonstration project to implement*  
7 *this section.*

8 (d) *In the event of a conflict between any provision of this section*  
9 *and the Special Terms and Conditions for the successor*  
10 *demonstration project and the final delivery system reform*  
11 *incentive pool protocol, the Special Terms and Conditions and the*  
12 *final delivery system reform incentive pool protocol shall control.*

13 *SEC. 4. This act is an urgency statute necessary for the*  
14 *immediate preservation of the public peace, health, or safety within*  
15 *the meaning of Article IV of the Constitution and shall go into*  
16 *immediate effect. The facts constituting the necessity are:*

17 *In order to improve access to health care services for patients*  
18 *in underserved areas at the earliest possible time, it is necessary*  
19 *that this act take effect immediately.*

20 ~~SECTION 1. Section 4593.2 of the Public Resources Code is~~  
21 ~~amended to read:~~

22 ~~4593.2. Notwithstanding Section 4521, unless the context~~  
23 ~~otherwise requires, the following definitions govern construction~~  
24 ~~of this article:~~

25 (a) ~~“Nonindustrial timberlands” means timberland owned by a~~  
26 ~~nonindustrial forest landowner.~~

27 (b) ~~“Nonindustrial forest landowner” means an owner of~~  
28 ~~timberland with less than 2,500 acres who has an approved~~  
29 ~~nonindustrial management plan and is not primarily engaged in~~  
30 ~~the manufacture of forest products.~~

31 (c) ~~“Uneven aged management” means the management of a~~  
32 ~~specific forest, with the goal of establishing a well stocked stand~~  
33 ~~of various age classes and that permits the periodic harvest of~~  
34 ~~individual or small groups of trees to realize the yield and~~  
35 ~~continually establish a new crop.~~

36 (d) ~~“Sustained yield” means the yield of commercial wood that~~  
37 ~~an area of commercial timberland can produce continuously at a~~  
38 ~~given intensity of management consistent with required~~  
39 ~~environmental protection and that is professionally planned to~~  
40 ~~achieve over time a balance between growth and removal.~~

1 (e) ~~“Nonindustrial timber management plan” means a~~  
2 ~~management plan for nonindustrial timberlands with an objective~~  
3 ~~of an uneven aged managed timber stand and sustained yield for~~  
4 ~~each parcel or group of contiguous parcels meeting the~~  
5 ~~requirements of Section 4593.3.~~

6 (f) ~~“Nonindustrial timber harvest notice” means notice of timber~~  
7 ~~harvest operations pursuant to an approved nonindustrial timber~~  
8 ~~management plan and meeting the requirements of Section 4594.~~

9 SEC. 2. Section 4593.3 of the Public Resources Code is  
10 amended to read:

11 4593.3. A nonindustrial timber management plan may be filed  
12 with the department in writing by a person who intends to become  
13 a nonindustrial forest landowner with the long-term objective of  
14 an uneven aged timber stand and sustained yield through the  
15 implementation of a nonindustrial timber management plan. The  
16 management plan shall be prepared by a registered professional  
17 forester. It shall be a public record and shall include all of the  
18 following information:

19 (a) ~~The name and address of the timberland owner.~~

20 (b) ~~A description of the land on which the plan is proposed to~~  
21 ~~be implemented, including a United States Geological Survey~~  
22 ~~quadrangle map or equivalent indicating the location of all streams,~~  
23 ~~the location of all proposed and existing logging truck roads, and~~  
24 ~~indicating boundaries of all site I classification timberlands to be~~  
25 ~~stocked in accordance with subdivision (b) of Section 4561 and~~  
26 ~~any other site classifications if the board establishes specific~~  
27 ~~minimum stocking standards for other site classifications.~~

28 (c) ~~A description of the silviculture methods to be applied and~~  
29 ~~the type of yarding equipment to be used.~~

30 (d) ~~An outline of the methods to be used to avoid excessive~~  
31 ~~accelerated erosion from timber operations to be conducted within~~  
32 ~~the proximity of a stream.~~

33 (e) ~~Special provisions, if any, to protect any unique area within~~  
34 ~~the boundaries of the proposed nonindustrial timber management~~  
35 ~~plan.~~

36 (f) ~~A description of the existing stand, its current projected~~  
37 ~~growth, alterations required to achieve the management objectives,~~  
38 ~~the projected timber volumes and tree sizes to be available for~~  
39 ~~harvest, and projected frequencies of harvest.~~

1 ~~(g) A certification by the registered professional forester~~  
2 ~~preparing the plan that he or she or a designee has personally~~  
3 ~~inspected the plan area.~~

4 ~~(h) Any other information the board provides by regulation to~~  
5 ~~meet its rules and the standards of this chapter.~~

6 ~~SEC. 3. Section 4593.8 of the Public Resources Code is~~  
7 ~~amended to read:~~

8 ~~4593.8. The nonindustrial forest landowner may submit a~~  
9 ~~proposed amendment to the approved plan and may not take any~~  
10 ~~action that substantially deviates, as defined by the board, from~~  
11 ~~the approved plan until the amendment has been filed with the~~  
12 ~~director and the director has determined that the amendment is in~~  
13 ~~compliance with the rules and regulations of the board and the~~  
14 ~~provisions of this chapter that were in effect at the time the~~  
15 ~~nonindustrial timber management plan was approved, in accordance~~  
16 ~~with the same procedures specified in Section 4593.7.~~

17 ~~SEC. 4. Section 4593.9 of the Public Resources Code is~~  
18 ~~amended to read:~~

19 ~~4593.9. The nonindustrial forest landowner may take actions~~  
20 ~~that do not substantially deviate from the approved plan without~~  
21 ~~the submittal of an amendment, but those actions shall be~~  
22 ~~subsequently reported to the department. The board shall specify,~~  
23 ~~by regulation, those nonsubstantial deviations that may be taken.~~  
24 ~~The board shall specify the requirements for reporting those~~  
25 ~~deviations.~~

26 ~~SEC. 5. Section 4593.11 of the Public Resources Code is~~  
27 ~~amended to read:~~

28 ~~4593.11. The nonindustrial forest landowner may cancel the~~  
29 ~~nonindustrial timber management plan by submitting a written~~  
30 ~~notice to the department. Once timber operations have commenced~~  
31 ~~pursuant to a nonindustrial timber harvest notice, cancellation is~~  
32 ~~not effective on land covered by the notice until a report of~~  
33 ~~satisfactory completion has been issued pursuant to Sections 4585,~~  
34 ~~4586, and 4587.~~

35 ~~SEC. 6. Section 4594 of the Public Resources Code is amended~~  
36 ~~to read:~~

37 ~~4594. The nonindustrial forest landowner who owns, leases,~~  
38 ~~or otherwise controls or operates on all or any portion of any~~  
39 ~~timberland within the boundaries of an approved nonindustrial~~  
40 ~~timber management plan, and who plans to harvest any of the~~

- 1 timber thereon during a given year, shall file a nonindustrial timber  
2 harvest notice with the department in writing. A notice shall be  
3 filed prior to the harvesting of any timber and shall be effective  
4 for a maximum of one year from the date of filing. If the person  
5 who files the notice is not the owner of the timberland, the person  
6 filing the notice shall notify the timberland owner by certified mail  
7 that the notice has been submitted, and shall certify that mailing  
8 to the department. The notice shall be a public record and shall  
9 include all of the following information:
- 10 (a) ~~The name and address of the timber owner.~~  
11 (b) ~~The name and address of the timber operator.~~  
12 (c) ~~The name and address of the registered professional forester  
13 preparing the nonindustrial timber harvest notice.~~  
14 (d) ~~A description of the land on which the work is proposed to  
15 be done.~~  
16 (e) ~~A statement that no archaeological sites have been discovered  
17 in the harvest area since the approval of the nonindustrial timber  
18 management plan.~~  
19 (f) ~~A statement that no rare, threatened, or endangered plant or  
20 animal species has been discovered in the harvest area since the  
21 approval of the nonindustrial timber management plan.~~  
22 (g) ~~A statement that there have been no physical environmental  
23 changes in the harvest area that are so significant as to require any  
24 amendment of the nonindustrial timber management plan.~~  
25 (h) ~~A certification by the registered professional forester that  
26 the notice as carried out will implement best management practices  
27 for protection of the beneficial uses of water, soil stability, forest  
28 productivity, and wildlife as required by the current rules of the  
29 board, or a certification that practices consistent with the original  
30 plan will not result in any significant degradation to the beneficial  
31 uses of water, soil stability, forest productivity, or wildlife.~~  
32 (i) ~~Special provisions, if any, to protect any unique area within  
33 the area of timber operations.~~  
34 (j) ~~The expected dates of commencement and completion of  
35 timber operations during the year.~~  
36 (k) ~~A statement that the harvesting notice conforms to the  
37 provisions of the approved management plan.~~  
38 (l) ~~Any other information the board provides by regulation to  
39 meet its rules and the standards of this chapter.~~

1 ~~SEC. 7. Section 4594.7 of the Public Resources Code is amended~~  
2 ~~to read:~~  
3 ~~4594.7. If it is determined that the objectives of uneven aged~~  
4 ~~management and sustained yield are not being met by a~~  
5 ~~nonindustrial forest landowner, or there are other persistent~~  
6 ~~violations detected that are not being corrected, a previously~~  
7 ~~approved nonindustrial timber management plan shall be canceled~~  
8 ~~by the department and any further timber operations under the plan~~  
9 ~~shall be terminated.~~

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